



Telecom Order CRTC 2016-363

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Ottawa, 8 September 2016

File number: Tariff Notice 7480

Bell Canada – Proposed increase in the rate associated with the In-Call Location Update component of its Wireless Service Provider Enhanced 9-1-1 service

*The Commission **denies** Bell Canada's application to increase the rate associated with the In-Call Location Update component of its Wireless Service Provider Enhanced 9-1-1 Service – Phase II because Bell Canada proposed to recover all the costs associated with the upgrade of its 9-1-1 network from wireless carriers, and not from all users that benefit from the upgrade to the 9-1-1 network.*

Background

1. In Telecom Decision 2003-53, to enhance public safety, the Commission required wireless service providers (WSPs) to provide wireless Enhanced 9-1-1 (E9-1-1) service to their subscribers in communities where wireless E9-1-1 network access service is available from an incumbent local exchange carrier (ILEC).
2. In Telecom Decision 2003-79, the Commission confirmed that under Bell Canada's wireless 9-1-1 access tariff, WSPs subscribing to wireless E9-1-1 network access service would be subject to 50% of the charge applicable to wireline telephone numbers,¹ plus an additional charge² for wireless E9-1-1 service. The WSPs pay 50% of the charge because they do not receive Automatic Location Identification (ALI) functionality.
3. In Telecom Decision 2013-124, the Commission approved the recommendations found in the CRTC Interconnection Steering Committee (CISC) Emergency Services Working Group's *ICLU Trial Evaluation Report*³ (the Report) and directed all wireless carriers and ILECs to make the necessary changes to support the provision

¹ Bell Canada's current tariffed wireless 9-1-1 access rate is \$0.07 per wireless telephone number (representing 50% of the existing 9-1-1 rate of \$0.14 per month).

² The additional charge included a wireless E9-1-1 Phase II Stage 1 monthly rate (\$0.0075 per wireless telephone number [WTN]) to provide, among other things, location information and, later, in Telecom Order 2013-646, a wireless E9-1-1 Phase II stage 2 monthly rate (\$0.01116 per WTN) to provide in-call location updates.

³*ICLU Trial Evaluation Report*, 27 November 2012 (ESRE0062).

of the In-Call Location Update (ICLU) feature⁴ described in the report within six months of the date of the decision.

4. As set out in section 5.1 of the Report, implementation of the ICLU feature was dependent on
 - a 9-1-1 service provider's network modernization plan to implement Internet Protocol (IP) links to public safety answering points (PSAPs) to replace existing destandardized network data links that were no longer being supported; and
 - a request by individual PSAPs to their 9-1-1 service providers to implement ICLU capabilities.
5. As directed by the Commission, Bell Canada filed an amendment to its monthly rate per wireless telephone number to allow for the recovery of the incremental costs associated with the introduction of the new ICLU feature, including the appropriate markup, in Tariff Notice 7402. The proposed rate of \$0.0191, which is the sum of the rate components for Phase II Stage 1 (\$0.0075) and Phase II Stage 2, or ICLU (\$0.0116), was approved on a final basis in Telecom Order 2013-646.

Application

6. The Commission received an application from Bell Canada, dated 10 November 2015, in which it proposed to revise the rate for item G21 – Wireless Service Provider Enhanced 9-1-1 Service – Phase II (WSP E9-1-1 Service – Phase II) of its Special Facilities Tariff. Specifically, Bell Canada proposed to increase the rate for the ICLU rate component from \$0.0116 to \$0.0188, which represents an increase of 62%. As part of its application, Bell Canada requested that the current monthly rate of \$0.0191 for WSP E9-1-1 Service – Phase II approved in Telecom Order 2013-646 be made interim, effective the date of its filing, to allow for retroactive adjustment.
7. The Commission received interventions from Quebecor Media Inc., on behalf of Videotron G.P. (Videotron), and Rogers Communications Partnership (RCP).⁵ RCP and Videotron did not comment on Bell Canada's request to make the current approved rate interim.
8. In Telecom Order 2016-159, the Commission made Bell Canada's existing approved rate for WSP E9-1-1 Service – Phase II interim, effective the date of that order.

⁴ The ICLU feature enables 9-1-1 call takers to receive the updated location information of a caller who, for example, is in motion or has changed location, and therefore assist emergency agencies in responding to the emergency.

⁵ RCP became known as Rogers Communications Canada Inc. as of 1 January 2016.

9. The public record of this proceeding, which closed on 11 May 2016, is available on the Commission's website at www.crtc.gc.ca or by using the file number provided above.

Should the Commission approve the proposed increase in the ICLU rate component?

10. Bell Canada submitted that the actual costs associated with implementing the ICLU feature have significantly exceeded the estimated costs included in its original ICLU cost study submitted with Tariff Notice 7402. The company identified the following key factors that were not taken into account in its original cost study:
- certain PSAP sites required new construction to build entrances for new data networks;
 - primary and co-located PSAP sites required diverse or redundant circuits;
 - feature changes requested by PSAPs required changes within multiple software environments (such as Emergency Response System [ERS] and ALI); and
 - additional forms of support (such as tools to trace packets and network alarms) were required to maintain, monitor, and troubleshoot E9-1-1 network elements.
11. Bell Canada indicated that its updated cost study was based on the actual construction costs associated with upgrading its existing legacy 9-1-1 network to an IP-enabled network, where applicable. The company submitted that these costs were based on actual costs from its systems of accounts from the period of October 2013 to September 2015, and its revised forecasts were based on information to date for the remainder of the study period.
12. Bell Canada also submitted that all the costs in the updated cost study are causal to the implementation of the ICLU feature because these costs would not have been incurred had the Commission not directed the company to implement the ICLU feature. Accordingly, because these costs are causal to the implementation of the ICLU feature, the company submitted that they should properly be recovered from wireless users, specifically, through the ICLU rate.
13. Bell Canada further submitted that its upgraded 9-1-1 network is currently being used by many wireline and wireless 9-1-1 services.⁶
14. Videotron submitted that the updated cost study includes costs associated with 9-1-1 network upgrades that improve 9-1-1 service for all users. For example, ALI was migrated to an ERS, and multiple IP routers and circuits were installed to connect with PSAPs. Accordingly, Videotron submitted that it would not be appropriate to

⁶ See, for example, Bell Canada's General Tariff item 1400 – 9-1-1 Public Emergency Reporting Service (PERS), which includes various wireline and wireless services.

recover costs associated with the replacement of components of the current 9-1-1 network solely from wireless users through the ICLU rate.

15. Similarly, RCP submitted that the costs associated with additional PSAP features and upgrades (such as access to the PSAP self-portal, and XML-based protocol), are not causal to the provision of ICLU and should not be included in this cost study. RCP further submitted that costs that are not 100% related to the provision of ICLU (such as systems development and modifications associated with WSP adherence to WSP Phase II specifications) should not be included in the cost study.
16. RCP and Videotron submitted that all PSAP-related costs should be recovered via municipal or provincial funding.
17. RCP and Videotron also submitted that the Commission should revisit Bell Canada's existing 9-1-1 rate of \$0.14, given the recent upgrades to Bell Canada's 9-1-1 network and given that the rate has not been reviewed in many years.⁷
18. In reply, Bell Canada provided details of the costs associated with either replacement or modification of its 9-1-1 facilities and indicated that they were all causal to the implementation of the ICLU feature.
19. Bell Canada submitted that all costs included in the cost study are actual costs or costs expected to be incurred to complete the implementation of ICLU. The company further submitted that as these costs would not have been incurred had the company not been required to implement ICLU, they should be properly recovered from wireless service users through the ICLU rate component. It submitted that additional PSAP features and upgrades (such as Hosted PSAP and XML-based protocol) are causal to the implementation of the ICLU feature because they are required to provide ICLU and are used for matters such as interconnection and ongoing support. It also submitted that the migration of the ALI system is causal because without it, the ICLU feature cannot be enabled.
20. Bell Canada indicated that the equipment and facilities at PSAP locations are owned by the company and are not eligible for municipal or provincial funding.
21. With regard to the suggestion that the Commission review Bell Canada's existing 9-1-1 rate, the company argued that this is outside the scope of this proceeding.
22. Finally, Bell Canada submitted that its 9-1-1 network modernization to implement the ICLU feature primarily benefits wireless users, but that its wireline users may also benefit from the upgrade.

⁷ See Telecom Decision 99-17.

Commission's analysis and determinations

23. Bell Canada claimed that all 9-1-1 upgrades for which it seeks to recover costs through the ICLU rate were performed for the purposes of implementing the ICLU feature. In the company's view, this makes the associated costs causal to the implementation of the ICLU feature and therefore recoverable from the ICLU rate component.
24. The Commission acknowledges that Bell Canada has made changes to its network, including those unique to the implementation of the ICLU feature. However, Bell Canada's proposal to recover 9-1-1 upgrade costs solely through the ICLU rate component (i.e. only from wireless carriers) is not appropriate.
25. The costs associated with the implementation of the ICLU feature consist of (i) costs associated with upgrading the legacy 9-1-1 network, and (ii) costs exclusively associated with the ICLU feature (such as ICLU portal and billing).
26. The 9-1-1 networks needed to be upgraded because the existing network data links (i.e. x.25) had been destandardized and were no longer being supported, and were due for replacement since they had been in service for many years.
27. While these aspects of the 9-1-1 networks required upgrading in order to implement the ICLU feature – a feature that benefits wireless users only – the broader benefits of such general network upgrades accrue both to wireless users as well as to wireline users. Accordingly, the Commission agrees with RCP's and Videotron's submissions that Bell Canada should not recover its 9-1-1 upgrade costs solely from wireless carriers through the ICLU rate component.
28. Currently, the 9-1-1 rate recovers all 9-1-1 network costs from both wireline subscribers and wireless carriers that use the 9-1-1 network. By proposing to recover the costs associated with the upgrade of this network solely from wireless carriers, Bell Canada is proposing to change the existing 9-1-1 cost recovery mechanism that the Commission has approved for all ILECs.⁸ The record of this proceeding does not justify such a departure.
29. Further, if the Commission were to accept Bell Canada's proposal, and allow the recovery of these general upgrade costs from the ICLU rate component, the question arises of whether it would be necessary to revise the company's existing 9-1-1 rate to avoid the over-recovery of costs. The present application deals only with Bell Canada's ICLU rate component, and the record of this proceeding is insufficient to make any determinations with respect to Bell Canada's 9-1-1 rate.

⁸ 9-1-1 rates are calculated on an annual basis using the formula set out in Order 2000-630.

30. In light of the above, Bell Canada's proposed increase to the ICLU rate component is not justified. Accordingly, the Commission **denies** Bell Canada's application. The existing rate for Bell Canada's WSP E9-1-1 Service – Phase II, which was made interim in Telecom Order 2016-159, is made final.

Secretary General

Related documents

- *Bell Canada – Proposed increase in the rate associated with the In-Call Location Update component of Wireless Service Providers Enhanced 9-1-1 service*, Telecom Order CRTC 2016-159, 28 April 2016
- Telecom Order CRTC 2013-646, 2 December 2013
- *CISC Emergency Services Working Group – Consensus report regarding the In-Call Location Update feature trial and implementation*, Telecom Decision CRTC 2013-124, 14 March 2013
- *Wireless service provider enhanced 9-1-1 service*, Telecom Decision CRTC 2003-79, 21 November 2003
- *Conditions of service for wireless competitive local exchange carriers and for emergency services offered by wireless service providers*, Telecom Decision CRTC 2003-53, 12 August 2003, as amended by Telecom Decision CRTC 2003-53-1, 25 September 2003
- *Rates modified for province-wide 9-1-1 service*, Order CRTC 2000-630, 6 July 2000
- *9-1-1 Service - Rates for Wireless Service Providers, Centrex Customers and Multi-Line Customers/Manual Access to the Automatic Location Identification Database*, Telecom Decision CRTC 99-17, 29 October 1999